

HOUSE BILL REPORT

SSB 6731

As Reported By House Committee On:

Finance

Title: An act relating to airport property in this state belonging to municipal corporations in adjoining states.

Brief Description: Removing a property tax exemption for larger airports belonging to out-of-state municipal corporations.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Newhouse and Deccio).

Brief History:

Committee Activity:

Finance: 2/26/98, 3/2/98 [DP].

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass. Signed by 13 members: Representatives B. Thomas, Chairman; Mulliken, Vice Chairman; Dunshee, Ranking Minority Member; Dickerson, Assistant Ranking Minority Member; Boldt; Butler; Conway; Kastama; Mason; Morris; Pennington; Schoesler and Thompson.

Minority Report: Do not pass. Signed by 1 member: Representative Carrell, Vice Chairman.

Staff: Rick Peterson (786-7150).

Background: All property in this state is subject to the property tax each year based on the property's value unless a specific exemption is provided by law. The only class of property which is exempt by the state Constitution is that owned by the United States, the state, its counties, school districts, and other municipal corporations, but the state constitution allows the Legislature to exempt other property from taxation.

Real and personal property belonging to municipal corporations in adjoining states which is used primarily for airport purposes is exempt from property tax.

Summary of Bill: The property tax exemption for real and personal property belonging to municipal corporations in adjoining states which is used primarily for airport purposes is limited to airports of 500 acres or less.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Right this wrong; it is time for The Dalles to pay their fair share of tax. Washington residents have been paying tax for The Dalles airport. The Dalles is not developing their land on the Washington side of the river and this is hold-back development of the area. Klickitat County is in the position to start with development of an industrial park. We need control of the land in order to put in the infrastructure.

Testimony Against: The city of The Dalles would like to see a joint regional airport authority with interests from both sides of the river represented. This bill will hurt efforts for regional cooperation. The repeal of the property tax exemption is unjust - all other municipally owned airports in Washington are exempt. The airport is open to everyone.

Testified: Representative Honeyford (pro); Lane Smith, Klickitat County (pro); Nolan Young and Dan Durow, city of the Dalles (con); and Ron Somers, city of the Dalles (con).